Minutes IT Investment Board Meeting

October 13, 2004

Members Present:

Dr. Mary Guy Miller, Vice Chairman
Jimmy Hazel
The Honorable Eugene J. Huang
Hiram Johnson

Walter Kurharski
John C. Lee, IV
Jame F. McGuirk II
Scott Pattison

Members Absent:

Chris Caine
Len Pomata

Others Present:

Lemuel C. Stewart, Jr., Chief Information Officer of the Commonwealth
John Westrick, Office of the Attorney General

Call to Order

The Vice-Chair called the meeting of the Information Technology Investment Board to order at 1:10 p.m. The roll was called and two of the ten members were recorded as absent.

Approval of Minutes

John Lee made a motion that the minutes of the August 11, 2004 meeting be approved. Jimmy Hazel seconded the motion. There being no discussion, the minutes were approved as written.

CIO Update

Integration Efforts - The large agency merger will be completed by the end of this calendar year.

- 1st Wave - successfully completed September 25, 2004 – 6 agencies
- 2nd Wave - October 25, 2004 - 4 agencies
- 3rd Wave – November 25, 2004 - 7 agencies

PPEA Status Report - The PPEA proposal Conceptual Review Phase has been completed. The PPEA Review Committee included numerous agencies, VITA, Cabinet level deputies, and the ITIB. Detailed discussion of the Committee's recommendations will be held with the Board later in the afternoon in executive session.

DHRM Classification Study – The study has been completed noting the following results:

- 372 classifications submitted with 58 exceptions identified by DHRM. All responsibility-related/classification-related issues were the result of the initial merger of three agencies to VITA.
- 29 net changes were proposed in the final DHRM report. VITA will make these changes, and will be in 100% compliance by the next ITIB meeting (December 8, 2004), which will resolve all issues within 60-days.
- A classification analyst position has been added to VITA staff to work with DHRM

There were no policy or procedural problems identified by DHRM in the classification study.

Enterprise System Initiatives - Enterprise system initiatives were initiated by VITA, the ITIB or agencies in collaboration with VITA:

- **Learning Management System** – DHRM is the business-owner of this project. It provides employees across the Commonwealth the ability to log into a web-based system to enroll in instructor led training. The Learning Management Enterprise System to go live January 30, 2005.

- **Statewide Alert Network (SWAN)** - establishes a secure statewide alert notification system that will provide automated alert messages to users through e-mail, telephone, fax pagers or wireless devices. In September, the SWAN was placed in acceptance test phase and will be implemented in production at VITA for use by the Department of Health.

- **Enterprise Licensing (DPOR)** - the Department of Professional and Occupational Regulation will be the business owner. Enterprise Licensing is a licensing system for the Commonwealth of Virginia. Scheduled to be in full production by June 30, 2005.

- **Enterprise Geographical Information System (GIS)** - Meetings have taken place to discuss the enterprise objective, the consolidation of servers, and the elimination of the redundancy of data associated with GIS. The business plan will be completed in late October/early November. An action plan will be developed for implementation beginning January 1, 2005.

- **E-mail Consolidation –** E-mail consolidation will occur in three distinct phases:
    o Phase I - work with small agencies to develop a centralized shared e-mail system.
    o Phase II - within the next 30-45 days, complete a full baseline evaluation study to reveal specific attributes of e-mail systems in the Commonwealth.
    o Phase III – develop technology solutions that will lead to a full statewide enterprise single e-mail system.

Quick Wins/Cost Savings - The biggest change is associated with the renegotiation of the statewide contract with Verizon, which will deliver approximately $4.8 million in savings in FY05, $6 million in FY 06, and more than $30 million over the life of the contract.

Cost Avoidances – Presently, on the six-year baseline, cost avoidances are around $4 million.

VITA Financials for FY 04 - Ended as anticipated with the retained earnings improving over FY 04.

2005 Budget Amendments – eight amendments to be proposed to the Department of Planning and Budget for consideration in the Governor's 2005 Budget. All are general fund requests.
- Relocate VITA State Data Center to a safe, secure and efficient facility
- Enhance support of VGIN – base mapping and central address file
- Create incident management capability for threats to state data (unfunded mandate)
- Enhance IT strategic planning and project management performance (unfunded mandate) online services to citizens and business
- Build comprehensive central planning capacity for major IT investment projects
- Support small agency desktop services
- Fund new administration IT transition needs

Once the ITIB has approved the budget amendments, they will be submitted to the Department of Planning and Budget.

JLARC Rate Approvals - VITA submitted proposals for rate changes to JLARC on 9/22/04 JLARC has created a subcommittee to review all rate proposal changes, and VITA will meet with the JLARC sub-committee once a date and time is scheduled.

- Rate correction – COVANET - ($1.2 million)
- Product line rate adjustments - ($0.9 million)
- New service rates - ($1.0 million)

The total impact of the rate change proposal is $3.1 million.

Major IT Project and Procurement Actions Since ITIB Meeting
    <u>**Project Development Approval**</u>:
- State Board of Elections: Virginia Election and Registration System (VERIS)

    <u>**Contract Approval:**</u>
- Approved September 15, 2004 - Department of Corrections - Automated Offender Sentence Calculation – $759,000.

    <u>**Project Suspension or Resumption Approval**</u>:
- Resumption: Department Of Transportation: Financial Management System II Upgrade – Phase I Project
- Suspension: Department of Accounts: Accounting System Replacement

    <u>**Project Management Standard**</u>:
- CIO posted project management standard October 13, 2004 for ITIB 5-day review.

    <u>**Independent Verification and Validation (IV&V)**</u>
Contracted CACI for the development of a Commonwealth IV&V program. Next steps:

- Complete survey of existing agency IV&V programs.
- Prioritize current major IT projects requiring IV&V.
- Conduct IV&V on identified projects by 1/12/05 (beginning of General Assembly session).
- Validate Commonwealth IV&V programs.
- Implement continuing IV&V for major IT projects.

CIO Objectives
- Objectives for February-September 30th have been submitted to Len Pomata, Chair of the CIO Evaluation Committee. Proposed objectives from October 1, 2004 – September 30, 2005 have been submitted for review.

FOIA Training
- There is required Conflict of Interest training for Officers, including the Board members and employees, which must be completed on a specific schedule. Board members will be presented with training opportunities and programs to meet this requirement.

Awards Received
- Virginia was recognized on July 13th as having finished third in national ranking in the Digital State Survey.
- On September 13, The Center for Digital Government announced that Virginia placed third in the nation for 2004 for the Best of the Web Contest
- At the National Association of State CIOs Conference (NASCIO) in September, VITA received two NASCIO recognition awards: Wireless E-911 and Virginia Geographic Information Network (Virginia based mapping program.) The winners were selected from among 108 submissions nationwide.

SWAM Plan - Susan Woolley, VITA Director of Supply Chain Management, gave a presentation on the Small, Woman- and Minority-owned Business (SWAM) Plan. She stated that a recent study concluded that there is low utilization of SWAM businesses across the Commonwealth. The SWAM Plan involves setting objectives, removing barriers and two-way communications. VITA's SWAM initiative identifies opportunities and enhances communication of those opportunities to SWAM suppliers.

Committee Reports
Legislative Review Committee – Jimmy Hazel, Chairman
Jimmy Hazel reminded the ITIB that the 2005 General Assembly session will be the 45-day short session to review budget/language amendments only.

Handouts were distributed outlining updated legislative proposals that have direct or indirect impact on VITA. Information had been submitted to the Office of the Secretary of Technology for consideration as to whether they will go forward.

Secretary Huang abstained from voting on the following amendments.

Revisions to ITIB/CIO/VITA Enabling Statutes

A. Raise the threshold for project review by CIO from $100,000 to $500,000 because there is little or no value added for CIO to review projects under $500,000.

B. Repeal the Virginia Information Providers Network (VIPNet) and move the substance of VIPNet into VITA's powers and duties.

Hiram Johnson made a motion that the ITIB endorse the "Revisions to ITIB/CIO/VITA Enabling Statutes" with the understanding that they may need to be revisited at a future meeting. Jim McGuirk seconded the motion. The Board carried the motion with a vote of 6-Ayes; 0-Nays; 1-Abstain.

Wireless E-911 Policy Board/Public Safety Communications (PSC) Division
Amend Wireless E-911 Services Board and VITA's PSC Division per OAG recommendations and Board's review and approval at its September 15 meeting.

After discussion, Scott Pattison made a motion that the ITIB accept the amendment in draft form. Hiram Johnson seconded the motion. The Board carried the motion with a vote of 6-Ayes; 0-Nays; 1-Abstain.

Jimmy Hazel stated that the VITA Legal and Legislative staff had also developed a list of ideas currently being considered by the Joint Committee on Science and Technology (JCOTS) that may become legislation in the future. JCOTS will meet on December 1, 2004, and will vote whether to pursue legislation. The ITIB will be kept up-to-date on this process.

Jimmy Hazel focused the Board's attention to the proposed language amendments to the budget. He stated that the Governor will present his executive budget to the joint money committees on December 17. Language amendments were as follows:

A. Strike language authorizing Governor to increase VITA's maximum employment level (MEL) and bring VITA under General Provisions for internal service funded agencies.

B. Strike language requiring the Department of Human Resource Management to review VITA's compensation actions and make an annual report of same to the money committees.

C. Expand the definition of VBMP data in the Appropriation Act to include "road centerlines" or other data that is currently developed and supplied by local governments to the VBMP program. A critical requirement would be that any data that is included in the program must meet state standards (including a currency standard - i.e., less than one year old). This process would provide for a single (no overhead) license and would allow government to government data sharing without paperwork.

D. Specify the Wireless E-911 fund's annual contribution to help support the underlying Virginia Base Mapping Program and digital road centerline files. (See Funding Priority 2 below.)

After discussion, Hiram Johnson made a motion that the ITIB support the proposed language amendments A-D. Jim McGuirk seconded the motion. The Board carried the motion with a vote of 6-Ayes; 0- Nays, and 1-Abstain.

E. Amend "Goods and Services" General Provisions to match the Code requirement that the CIO, not the ITIB, approve procurements for major IT projects. (Corrects error in 2004 Session.)   Lem Stewart clarified that this was not done to apply discipline to the process, it was merely done to correct a mistake in terms of requiring the ITIB to approve procurement.

Discussion ensured regarding the procurement language amendment. Lem Stewart clarified that when procurements are not a part of a major project, the CIO has approval. All procurements that are a part of major projects are sent to the CIO for his review and the 5-day notification to the Board would be in effect.   If any Board member disagreed, the approval process would stop and further action would be suspended. The language correction would make the approval of projects continue to lie with the purview of the Board in the way that the Board has determined to delegate to the CIO with the 5-day notification period.

After further discussion, Jimmy Hazel made a motion that the ITIB endorse "Item E - Goods and Services" amendment. John Lee seconded the motion. The Board carried the motion with a vote of 6-Ayes; 0-Nays; and 1-Abstain.

Finance Committee, Scott Pattison, Chairperson
Scott Pattison reported that the Finance Committee met on October 4, 2004. He complimented Lem Stewart, Austin Matthews and other VITA staff for the hard work that had been done. He continued to report as follows:

Finance Planning Schedule
At the ITIB's request, the Finance Committee developed a schedule for key finance activities that become due between Finance Committee meetings. After review of the schedule, Scott Pattison made the following motion:

> *That the Information Technology Investment Board authorize the CIO to proceed with key financial activities that come due between Finance Committee meetings so as not to impede VITA's ability to perform day-to-day activities. The Finance Committee shall be given five days to review materials and provide feedback; if no feedback is received within five days, the CIO may assume approval and proceed accordingly. In addition to Finance Committee members, all Board members shall be notified as well.*

Jim McGuirk questioned exactly what is delegated in "key financial activities." John Westrick clarified that the ITIB can delegate the power to the CIO subject to specific instructions or controls that are set up.

Jim McGuirk suggested that this motion be drafted similar to the Resolution developed by the IT Project Review Committee that was approved for project approvals, which was very specific regarding project approvals.

After discussion, Scott Pattison suggested that members of the Finance Committee meet with John Westrick to develop the appropriate language for approval at the December ITIB meeting. Lem Stewart supported the suggestion that the language be mirrored to the Resolution submitted by the IT Project Review Committee regarding project approvals.

JLARC Rate Submission
JLARC has established a sub-committee to review rates. Members included Delegate Woodrup, Delegate Joannou and Senator Stosch.   Scott Pattison made the following motion:

> *That the Information Technology Investment Board approve the September 22, 2004 JLARC submission.*

Jimmy Hazel seconded the motion. The Board carried the motion unanimously (7-0).

Budget Amendments to Biennial Budget
Scott Pattison made the following motion regarding budget amendments:

> *That the Information Technology Investment Board approve the proposed 2004 – 2006 biennium budget amendments and transmittal letter for submission to the Department of Planning and Budget on October 13, 2004.*

Jim McGuirk seconded the motion. The Board carried the motion with a vote of 6-Ayes; 0-Nays; and 1-Abstain.

Proposed Audit Charter and Finance Committee Name Change
Scott Pattison made the following motion:

> *That the Information Technology Investment Board approve the proposed VITA audit charter and authorize the recruitment of the audit director. Further VOTED, that the ITIB Finance Committee be increased by two Board members and renamed the ITIB Finance and Audit Committee as a result of the added audit responsibilities.*

Walter Kucharski stated that the Charter gives the ITIB, through the Audit and Finance Committee, more direct access to the Internal Auditor if the Board wanted him/her to perform in a specific area. Daily activities of the Internal Auditor would be under the direction of the CIO, with shared responsibility between the CIO and the Board. The ITIB will have input on the performance evaluation process of the Internal Auditor.

Jimmy Hazel seconded the motion. The Board carried the motion unanimously (7-0).

IT Project Review Committee, Jim McGuirk, Chairperson
Mr. McGuirk stated that the Project Review Committee's focus will now be more on an enterprise level view of IT investments. He stressed the importance of understanding the business level of each component of the Commonwealth in order to apply enterprise technology. He stated that the Project Management Division has been working with agencies in developing a template for Secretariat briefings to the IT Project Review Committee, which includes

demographics of the agency, the major business functions, the critical business issues, their major IT projects, and what enterprise levels have been looked at. One of the mandates of the ITIB is to determine where there is enterprise involvement across agencies. The Project Review Committee will be publishing a schedule of briefings (December – September, excluding the month of August) to occur on a monthly basis. Presently, the plan is to have multiple secretariats in the same committee meetings; however, this may not allow time to do an in-depth review. Mr. McGuirk encouraged other interested board members to attend the committee meetings to view the briefings. Mr. McGuirk stated that there was also an update on the GIS.

At the December ITIB meeting, the Project Review Committee will deliver a template and a business enterprise architecture. Presently, the Committee is looking at every part of the Commonwealth to see where it may fit in the business architecture, having a business view compared with the technology view.

Mr. McGuirk submitted a revised Resolution for major IT project development and procurement approval. This Resolution would supersede the Resolution that was previously approved in July. The revised Resolution assigns authority to the CIO to submit information to the IT Project Review Committee, rather than to the full Board. If a Committee member requests, the project will then be presented at the scheduled Board meeting so that Board members will have the opportunity to discuss. He made the following motion:

> *RESOLVED, that the Virginia Information Technology Investment Board assigns authority for major information technology project development and procurement approval and disapproval to the Commonwealth Chief Information Officer, in accordance with the following guidelines:*
>
> - *The CIO shall notify the Information Technology Project Review Committee members of the intent to approve or disapprove a major information technology project development or procurement at least 5 working days before taking such action. The CIO shall not proceed to approve or disapprove any major information technology project development or procurement if any Committee member, within the 5 working day notice period, requests that the intended CIO action be presented for review by the Information Technology Project Review Committee followed by submission to the Board for approval.*
>
> - *At each regularly scheduled meeting of the Board, the CIO shall report to the Board on those major IT projects development and procurement actions, CIO approvals and disapprovals, taken since the last regularly scheduled meeting of the Board.*
>
> - *At the direction of the Board, the CIO shall review a major information technology project or procurement and make a recommendation to the Board for the continuation, suspension, or termination of the project or procurement.*
>
> - *This resolution supersedes the resolution passed by the Board on July 7, 2004 on this same topic.*

Scott Pattison seconded the motion.

Hiram Johnson expressed concern about the Board's delegation of authorities. It was decided that if Board members wanted to receive any and all committee information, there would be an e-mail list developed.

Hiram Johnson made a substitute motion that the Resolution remain in its original format as was passed at the July 7, 2004 ITIB meeting. There being no second, the substitute motion was not considered.

There being no further discussion, The Board carried the original motion as proposed by Jim McGuirk with a vote of 6-Ayes; 1-Nay.

Other Business

Hiram Johnson recommended the addition of Scott Pattison to the Legislative Review Committee. Dr. Miller appointed Mr. Pattison to this Committee.

Public Comment

There was no public comment.

Executive Session

Hiram Johnson made the following motion:

> *That the ITIB convene a closed meeting pursuant to Va. Code §§2.2-3711(A)(3) and 2.2-3711(A)(6) for the purpose of discussing and considering the lease or other acquisition of real property to house VITA operations currently located in the Richmond Plaza Building, as discussion in an open meeting would adversely affect the bargaining power, negotiating strategy or financial interests of VITA and the ITIB.*
>
> *Pursuant to Va. Code §2.2-3711(A)(7) for the purpose of consulting with legal counsel regarding lease provisions and the legal ramifications of VITA's options for housing operations currently located in the Richmond Plaza Building;*
>
> *Pursuant to Va. Code §2.2-3711(A)(6) for the purpose of discussing PPEA proposals received by VITA, as discussion in open meeting would undermine VITA's bargaining posture and therefore its financial interest. The CIO and certain staff whom he has selected for their familiarity with the above matters should attend the closed meeting, as their attendance will aid our discussion, and*
>
> *Pursuant to §2.2-3711(A)(1) for the purpose of discussion and consideration of prospective candidates for assignment to the post of Chairman of the ITIB.*

Jimmy Hazel seconded the motion. The Board carried the motion unanimously. (7-0)

The Board reconvened in open session at 5:10 p.m. Vice-Chairperson Dr. Mary Guy Miller, made a motion stating:

> *I move that the ITIB is now reconvened in open session, having completed a closed meeting to consider and discuss the lease or acquisition of real property to house VITA operations currently located in the Richmond Plaza Building and discussions and considerations of perspective candidates for the assignment to the post of Chairman of the ITIB. I will now conduct a roll call and will ask each member to certify, to the best of his or her knowledge,*

that only public business matters lawfully exempt from open meeting requirements under the Freedom of Information Act and only those public business matters identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting.

Hiram Johnson seconded the motion. The roll was called and each of the eight members so certified.

Jimmy Hazel made the following motion:

That the Honorable Eugene J. Huang, Secretary of Technology, be elected as Chairman of the Information Technology Investment Board.

Jim McGuirk seconded the motion. The motion was carried unanimously (7-0).

Hiram Johnson made the following motion:

That the ITIB convene a closed meeting, pursuant to Va. Code §2.2-3711(A)(6) for the purpose of discussing PPEA proposals received by VITA, as discussion in open meeting would undermine VITA's bargaining posture and therefore its financial interest. The CIO and certain staff whom he has selected for their familiarity with the above matters should attend the closed meeting, as their attendance will aid our discussion.

Scott Pattison seconded the motion. The Board carried the motion unanimously (7-0).

The Board reconvened in open session at 6:35 p.m.. Vice-Chair Miller made the motion:

I move that the ITIB is now reconvened in open session, having completed a closed meeting for the purpose of discussing PPEA proposals received by VITA, as discussion in open meeting would have undermined VITA's bargaining posture and therefore its financial interest. The CIO and certain staff whom he had selected for their familiarity with the above matters attended the closed meeting, as their attendance aided our discussion. I will now conduct a roll call and will ask each member to certify, to the best of his or her knowledge, that only public business matters lawfully exempt from open meeting requirements under the Freedom of Information Act and only those public business matters identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting.

Hiram Johnson seconded the motion. The roll was called and each of the eight members so certified.

Jimmy Hazel made the following motion:

That the ITIB approve the course of action for detailed review of selected proposals.

Scott Pattison seconded the motion. The Board carried the motion unanimously (7-0).

Adjourn

A motion was made by Jimmy Hazel to adjourn. Hiram Johnson seconded the motion. The next meeting of the ITIB will be Wednesday, December 8, 2004 at the VITA Operations Center, 110 South Seventh Street – 4th Floor Auditorium, Richmond, Virginia 23219. There being no further business, the meeting adjourned at 6:40 p.m.